



"Gatlin, Darryl, Mr, OSD-ATL" <Darryl.Gatlin@osd.mil> on 11/08/2001 12:45:46 PM

To: "dfars@acq.osd.mil"
Subject: FW: Case 2000-DO20 Public Comment

>-----Original Message-----

>From: Glenn Sweatt [mailto:gsweatt@ecc.net]

>Sent: Thursday, November 08, 2001 12:13 PM

>To: GATLINDM@acq.osd.mil

>Subject: Re: Case 2000-DO20 Public Comment

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>I apologize. Please let me know if this works.

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>Just in case, here is the text of the attachment.

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>Comments on DFARS Case 2000-DO20, Regarding Amendments to
>Proposed Rule 65 FR 54936, September 11, 2001, Regarding the
>Discontinuation of Application of the Balance of Payments Program.

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>Environmental Chemical Corporation (ECC) opposes the proposed
>rule that would re-impose the requirements of the Balance of
>Payments Program (BPP). The BPP for Construction Contracts
>has recently been proposed for elimination from FAR. We
>support DOD's consideration of the discontinuation of the
>application of the Balance of Payments Program for
>construction contracts.

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>ECC is a small business environmental remediation construction
>contractor with significant international experience. We have
>worked internationally for numerous agencies of DOD, including
>the US Army Corps of Engineers, Air Force Center for
>Environmental Excellence (AFCEE), and the Navy. Our projects
>have been conducted in the Middle East, Europe, South America,
>Japan, Korea, and numerous former Soviet Union countries. Our
>experience, and the experience of other small business
>construction contractors working in the international arena,
>is that the Balance of Payments Program is a burdensome and
>inefficient clause which requires additional administration
>and cost by both the government and contractor. The rule is
>inefficient on two fronts.

>First, the Program has so many exemptions, thresholds and
>exclusions (material exclusions, country exclusions, dollar
>amount exclusions) that it is quite often not enforced. It
>only serves to increase administration time for contractors
>and contracting officers who must conduct cost comparison
>analyses, determine if the source country is a designated
>exempt country, determine if there is another sufficient basis
>for waiver such as schedule delays, etc. In these cases the
>rule only serves to slow down procurement cycles, increase
>construction schedule, and increase administration costs.

>Second, in those cases where it is enforced, it has served to
>significantly increase the cost to the government of certain
>non-excluded construction items. In addition to driving up
>the costs to the government of the construction materials

>themselves, the requirement for domestic end construction
>products also requires longer lead times for shipping and
>transportation, customs processing, etc., resulting in
>increased schedule, which ultimately results in higher costs
>of construction.

>The proposed rule published at 65 FR 54936 wisely proposes the
>removal of all FAR policy pertaining to the Balance of
>Payments Program. DFARS Case 2000-DO20 seeks to re-impose
>additional requirements in a case where the proposed rule is
>intended to streamline the contract administration process.
>In short, the DFARS proposed rule is a step backwards, and
>should not be made a final rule. The total discontinuation of
>the Balance of Payments Program for DOD * following the FAR
>guidance * is the efficient and-sensible decision,

>Sincerely,

>Glenn Sweatt, Esq.

>General Counsel

>Environmental Chemical Corporation

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>>>> <GATLINDM@acq.osd.mil> 11/08/01 09:02 AM >>>

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>I did not receive an attached file with public comments.

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(See attached file: Case 2000-DO20 Pub Comment.doc)



• Case 2000-DO20 Pub Comment.doc